

# Message from the President

**Building on leading-edge technology  
to work to create products that enrich people's lives  
and contribute to the creation of a bright future.**

**Susumu Kurashima**

Representative Director of Board, President  
SHINKO ELECTRIC INDUSTRIES CO., LTD.

The environment surrounding us is in a difficult phase in which various issues are becoming more serious, such as climate change, increasing poverty and disparity, and rising geopolitical risks, while the evolution of technology, including the rapid expansion of the use of AI and the progress of digital transformation (DX), is bringing great benefits to people's lives and business, and dramatically changing the structure of society and the economy. In this environment, the role of companies in addressing globalized and increasingly serious social issues is also increasing.

In this environment, the Shinko Group, in line with the Shinko Way, which embodies the Group's reason for existence, values, and principles of action, will aim to contribute to the creation of new value in society through the development and provision of products and services based on advanced technologies, as well as the creation of a glorious future by working to solve various sustainability issues as a company fulfilling its social responsibility. In addressing increasingly diverse and complex sustainability issues, we have identified material issues that should be prioritized and focused on by our Group, and are effectively promoting activities to address these material issues throughout the Group.

## Aiming for harmony between the global environment and corporate activities

The Shinko Group has focused on reducing environmental impact by positioning contribution to a healthy environment as one of the most important management issues. In 2022, we formulated "Environmental Vision 2050" to clarify our goals and basic stance of "climate change," "resource circulation," and "living in harmony with nature" toward 2050, and have performed various activities in line with medium- to long-term targets in each area.

In response to "climate change", we recognize that this is an urgent environmental issue that must be addressed with the highest priority, and are developing decarbonization initiatives centered on measures to promote energy conservation and efficiency in manufacturing processes and plant utility equipment, and to switch to green power by creating and introducing renewable energy, while putting in place a promotion system at all of our production sites in Japan and overseas. In addition, for a new plant and buildings to be constructed for the purpose of strengthening our production system, we are promoting initiatives aimed at plants with the lowest possible environmental impact by, for example, using 100% renewable energy for electricity consumption. In our "resource circulation" activities, we are continuously promoting zero-emission initiatives through waste generation curbing and recycling to maximize the effective use and recycling of the earth's limited resources, while promoting reduction and recycling of water resources used in manufacturing

processes, etc. at all plants. In our activities for "living in harmony with nature," we are implementing biodiversity conservation activities using in-house facilities, education and awareness activities for all employees in order to reduce the impact of our business activities on biodiversity, and cooperating with a local government.

In light of the critical situation where environmental issues are becoming more serious on a global scale, our Group will further accelerate various activities to harmonize our corporate activities with the global environment as a responsibility of a manufacturing company.

## To support the growth of diverse employees

One of the Corporate Values set in the Shinko Way is to respect the diversity of its employees and support their growth. We believe that by creating an environment in which employees with diverse personalities and perspectives can exercise their abilities and achieve personal growth, we can generate innovation within the company and achieve sustainable growth.

As part of our efforts to create an organizational culture in which the diversity of our employees is respected and, at the same time, employees from various backgrounds and environments can work comfortably, we are continuously working to harmonize work and personal/family life. Through the development and expansion of systems to support employees with childcare, nursing care, medical treatment, and other circumstances, as well as other measures, we aim to achieve both work-life balance through diverse and flexible work styles and to enhance productivity.

In order to improve the abilities and expertise of our employees, moreover, we have established our Human Resource Development Policy and created a training system, and are focusing on the operation and improvement of our training programs. The SHINKO Techno Academy was established in 2021 as an educational institution for employees working at manufacturing sites, and provides specialized training for the manufacturing sector, including practical skills training and hazard perception training, which are fundamental to the manufacturing site. The academy is continuously working to broaden the scope of target participants and enhance training programs with the aim of developing human resources who will become the core of the manufacturing site.

We will continue to create an organizational culture in which employees, who form the foundation of the company's growth, can fully demonstrate their abilities and diversity, and work with pride and satisfaction.

## Toward a new stage of growth

To earn the trust of our stakeholders and continue to be an indispensable company in international and local communities, we are working to improve corporate value by strengthening corporate governance and compliance, and by implementing various measures in line with the Shinko Way. We are also committed to fostering a challenging corporate culture in which all employees of the Shinko Group, both in Japan and overseas, work together as one and can boldly take on the challenge of achieving high goals without fear of failure.

Going forward, the implementation of the tender offer is planned for the company shares by the tender offeror that is focused on JIC Capital, Ltd. In the semiconductor industry, which is expected to grow over the medium- to long-term, we aim to privatize the company shares through the tender offer and the series of transactions, promoting the next-generation semiconductor business and reinforcing the Company's market competitiveness in next-generation products, as well as building a flexible and robust corporate foundation, toward a new stage of growth. Therefore, we aim to achieve sustainable growth and to enhance our corporate value.

I hope that this report helps you to understand the Shinko Group's initiatives introduced here, and we look forward to your further support and encouragement.